

## Auction 62

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**From:** Ethan Funk [ethan@redmountainradio.com]

**Sent:** Thu 4/21/2005 7:59 PM

**To:** Auction 62

**Cc:**

**Subject:** Auction No. 62 Comments

**Attachments:**

I am writing in response to your request for public comment on auction structure for Auction no. 62, the auction of certain FM broadcast construction permits.

In the proposed procedure, it would appear that the maximum number of bidding units is limited only by upfront payments. My concern is this; while licensees may only own and operate a limited number of stations, they may bid on any number of licenses, given sufficient up-front payment.

Since bidders must meet the proposed bidding activity rules, well-funded bidders could potentially obtain an excessive number of bidding units, using their "extra" units to maintain activity by placing frivolous bids.

Under the currently proposed procedure, less desirable rural licenses would be particularly vulnerable to receiving frivolous bids. This would lead to bid inflation and could easily exclude moderately funded local entities from obtaining construction permits for allocations in their own rural communities.

I believe that a bidding unit cap is an equitable solution. This would encourage bidders to focus their activity on allocations for which they truly hope to obtain a construction permit. The bidding unit cap should factor in the number of stations that the potential licensee is legally permitted to own and operate.

By discouraging frivolous bids from a few large entities, a bidding cap would continue to promote localism and diversity in the broadcast marketplace.

Eric Funk  
Ouray, CO